

Enterprise M3 Board Meeting

28 November 2019

EU Programme Update – Item 16

Programme Management Group members are asked to **NOTE** the progress on the EU programme.

1. General Update

- 1.1. The previous Government gave a Treasury Guarantee to the European Structural and Investment Fund (ESIF) Programme post the EU referendum. This meant that this EU funding pot worth €45.6m (approx. £42m) comprising of ERDF, ESF and EAFRD in the Enterprise M3 LEP area is guaranteed to the end delivery date of December 2023. This guarantee was confirmed again by the Managing Authorities on 1 August 2019 and is still valid.
- 1.2. Reserve Funding calls are in preparation with EAFRD already opened on 4 November and closing on 16 February 2020, ESF should open in December and ERDF in February. The Commission informed the Managing Authority that they are able to contract projects beyond December 2020 so we may have several rounds of new calls under the Reserve funding pots until all funding is allocated.
- 1.3. We submitted the full application of the ERDF Internationalisation project led by Enterprise M3 in September 2019. Decision on approval is expected in Q1 2020 with delivery to start from 1 July 2020 for 3 years.
- 1.4. We have invited Project Managers from our contracted ERDF and ESF projects to our next ESIF Practitioners Network meeting on 3rd December to share best practice and updates on projects. We are encouraging synergies and referrals between all projects. This time, the training will focus on 'compliance and audit' requirements.
- 1.5. There is £183,721 remaining from the previous European programming period which has been agreed to come to the LEP. The money will come in January and can be spent on any 'business support initiatives in the spirit of ERDF'.

2. European Social Fund (ESF)

- 2.1. Taking into consideration the revised exchange rate, 86.2% of our ESF allocation is published including 36.2% contracted, 28.8% in the pipeline and 14.7% spent.
- 2.2. We had 10 participants at our ESF Clinic Workshop on 1st October at The Red Lion Hotel in Basingstoke. We provided technical assistance to applicants and a partnership search for the three calls that closed on 10th and 22nd October 2019.
 - Social Inclusion worth £1.31m ESF - 0 applications received
 - Virtual reality and online support learning worth £2.1m ESF- 1 application received for Innovation South Virtual Campus requesting £490,000 ESF
 - Brokerage of skills/Apprenticeship Hub worth £1.37m ESF – 2 applications received for EM3 Apprenticeship & Skills Hub requesting £1,526,729 ESF and General Skills Service requesting £159,153 ESF
- 2.3. We had 16 attendees at our ESF Consultation Event on 6th November held at The Red Lion Hotel, Basingstoke where we invited stakeholder contributions to explore the needs and priorities in preparation for the future ESF Reserve Fund in the Enterprise M3 LEP area.

Ideas for 6 or 7 new ESF projects have been suggested to shape into ESF specifications for the Reserve Call.

- 2.4 Depending on outcome of pipeline, we are likely to have approx. £1.3m ESF move to the ESF Reserve Funding pot.
- 2.5 We conducted an ESF legacy roundtable discussion with ESF project managers at our ESIF Practitioners Network meeting on 13th September to review what has worked well with ESF funding and what would be good to change to inform the UK Shared Prosperity Fund. Our Relationship Manager from MHCLG confirmed that the lessons learnt from the ESF and ERDF programme will be part of the consultation for the UK Shared Prosperity Fund. We are awaiting detailed information on the UK Shared Prosperity Fund.
- 2.6 We will host an ESF Launch event on 16 January 2020 to support the next direct call 'Digital Skills for the Unemployed' worth £1.5m opening mid-November and closing at the beginning of February.
- 2.7 Our ESF Technical Assistance payment claim for Q4 2018 is under verification for £3,420.59 and we await payment. We submitted our Q1, Q2 and Q3 2019 aggregated ESF payment claim in October for £13,495.67 which is also under verification.

3. European Regional Development Fund (ERDF)

- 3.1 Taking into consideration the revised exchange rate, 100% of our ERDF allocation is published, 38,2% of applications are in process, 20.3% is contracted and 6.5% of ERDF has been spent.
- 3.2 We hosted an ERDF Clinic Workshop in Basingstoke on 11th September and provided follow up support to help applicants to finalise their outline applications, share their ideas and search for partners for the four specifications that closed on 30th September 2019. We received 11 outline applications of which 7 projects have been invited to progress to full application following the ESIF committee decision on 14th November.
- 3.3 Depending on outcome from the pipeline, we are going to have approx. £7m move from our notional allocation into the ERDF Reserve Funding call.
- 3.4 We submitted a PCR (Project Change Request) for extending the ERDF Technical Assistance project until the end of the programming period. The value to Enterprise M3 is £125k for two years. We are awaiting final approval.
- 3.5 We submitted our payment claim for Q1 2019 worth £14,178 in April and submitted our Q2 2019 payment claim in July for £15,629.75. These payments will be paid after validation and the completion of the documentation for the extension to our ERDF TA project. We submitted our Q3 2019 ERDF payment claim in October for £12,218.39.

4 European Agricultural Fund for Rural Development (EAFRD).

- 4.1 100% of our EM3 allocation has been published with 15.4% projects contracted, 10% spent. From the 110% overcommitted we had some drop off rate and there is currently approx. £2.8m that will be moved to the EAFRD Reserve Funding call. Nationally, the programme had about 40% drop off rate.
- 4.2 The Reserve Fund call for EAFRD was announced in October of £35m with a minimum size of project reduced from £35k to £20k with a 40% intervention rate for capital funding only. All three priorities re-opened on 4 November for EM3 '*Business Development*', '*Food Production*' and '*Tourism Infrastructure*'. We will host one EAFRD promotional event on 14 January 2020 at Test Valley Council Offices in Andover. Outline applications deadline is midnight on 16 February 2020.

Kathy Vuillaume/Susan George
20th November 2019